

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
W. R. GRACE & CO., et al.,¹) Case No. 01-01139 (JKF)
) (Jointly Administered)
)
Debtors.) **Objection Deadline:** April 19, 2007,
 at 4:00 p.m. (prevailing eastern time)

**SUMMARY APPLICATION OF LATHAM & WATKINS LLP FOR
COMPENSATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS
SPECIAL TAX COUNSEL TO W. R. GRACE & CO., ET AL., FOR THE
PERIOD FROM DECEMBER 1, 2006, THROUGH DECEMBER 31, 2006**

Name of Applicant: Latham & Watkins LLP ("L&W")

Authorized to Provide Professional Services to: W. R. Grace & Co., et al., Debtors and
Debtors-in Possession

Date of Retention: Retention Order entered June 16, 2004,
effective nunc pro tunc from April 1, 2001,
Order Authorizing Expansion entered
March 27, 2006,

Period for which compensation and reimbursement
is sought: December 1, 2006 through December 31, 2006

Amount of Compensation sought as actual,
reasonable and necessary: \$2,332.50

Amount of Expense Reimbursement sought
as actual, reasonable and necessary: (\$0.00)

This is a(n) X monthly, ___ interim, ___ final application.

¹ The debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester new Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Hornco International, Inc., Koontenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc.), Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

The total time expended for the preparation of this application is approximately 1 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$400.00.

This is the third monthly application for interim compensation of services for the October – December 2006 quarter that Latham & Watkins LLP has filed with the Bankruptcy Court in the Chapter 11 Cases. The following applications have been filed previously in the Chapter 11 Cases:

| Date Filed | Period Covered | Requested Fees | Requested Expenses | Approved Fees | Approved Expenses |
|--------------------------------|---|----------------|--------------------|-------------------|-----------------------|
| On or about August 9, 2004 | December 2003 – June 2004 | \$211,719.00 | \$6,927.50 | All fees approved | \$6,897.50 approved |
| On or about August 25, 2004 | July 1, 2004 – July 31, 2004 | \$11,334.50 | \$201.32 | All fees approved | All expenses approved |
| On or about October 25, 2004 | August 1, 2004 – August 31, 2004 and September 1, 2004 – September 30, 2004 | \$81,729.50 | \$5,199.44 | All fees approved | All expenses approved |
| On or about November 25, 2004 | October 1, 2004 – October 30, 2004 | \$45,050.00 | \$1,825.59 | All fees approved | All expenses approved |
| On or about December 25, 2004 | November 1, 2004 – November 30, 2004 | \$31,913.50 | \$1,509.91 | All fees approved | All expenses approved |
| On or about January 25, 2005 | December 1, 2004 – December 31, 2004 | \$26,177.50 | \$1,282.35 | All fees approved | All expenses approved |
| On or about February 4, 2005 | July 1, 2004 – September 30, 2004 | \$93,064.00 | \$5,400.76 | All fees approved | All expenses approved |
| On or about February 25, 2005 | January 1, 2005 – January 31, 2005 | \$23,485.50 | \$3,14.93 | All fees approved | All expenses approved |
| On or about March 25, 2005 | February 1, 2005 – February 28, 2005 | \$22,065.00 | \$628.01 | All fees approved | All expenses approved |
| On or about May 19, 2005 | October 1, 2004 – December 31, 2004 | \$103,141.00 | \$4,617.85 | All fees approved | All expenses approved |
| On or about May 24, 2005 | March 1, 2005 – March 31, 2005 | \$39,952.00 | \$160.88 | All fees approved | All expenses approved |
| On or about May 24, 2005 | January 1, 2005 – March 31, 2005 | \$85,502.50 | \$1,103.82 | All fees approved | All expenses approved |
| On or about May 26, 2005 | April 1, 2005 – April 30, 2005 | \$33,385.50 | \$593.50 | All fees approved | All expenses approved |
| On or about July 8, 2005 | May 1, 2005 – May 31, 2005 | \$15,799.50 | \$956.63 | All fees approved | All expenses approved |
| On or about August 9, 2005 | June 1, 2005 – June 30, 2005 | \$3,343.00 | \$332.11 | All fees approved | All expenses approved |
| On or about August 9, 2005 | April 1, 2005 – June 30, 2005 | \$52,528.00 | \$1,882.24 | All fees approved | All expenses approved |
| On or about September 19, 2005 | July 1, 2005 – July 31, 2005 | \$1,392.00 | \$8.93 | All fees approved | All expenses approved |

| | | | | | |
|-------------------------------|--|-------------|---------|-------------------|-----------------------|
| On or about October 10, 2005 | August 1, 2005 – August 31, 2005 | \$698.50 | \$39.03 | All fees approved | All expenses approved |
| On or about October 26, 2005 | September 1, 2005 – September 30, 2005 | \$736.50 | \$5.32 | All fees approved | All expenses approved |
| On or about October 26, 2005 | July 1, 2005 – September 30, 2005 | \$2,827.00 | \$53.28 | All fees approved | All expenses approved |
| On or about December 28, 2005 | October 1, 2005 – October 31, 2005 | \$689.00 | \$9.34 | All fees approved | All expenses approved |
| On or about January 13, 2006 | November 1, 2005 – November 30, 2005 | \$73.50 | \$6.45 | All fees approved | All expenses approved |
| On or about October 20, 2006 | June 1, 2006 – June 30, 2006 | \$16,407.50 | \$0.00 | All fees approved | All expenses approved |
| On or about October 20, 2006 | July 1, 2006 – July 31, 2006 | \$16,122.50 | \$35.61 | All fees approved | All expenses approved |
| On or about October 20, 2006 | August 1, 2006 – August 31, 2006 | \$13,317.50 | \$6.18 | All fees approved | All expenses approved |
| On or about October 20, 2006 | September 1, 2006 – September 31, 2006 | \$3,347.00 | \$4.79 | Pending | Pending |
| On or about October 20, 2006 | October 1, 2006 – October 31, 2006 | \$2,571.00 | \$4.34 | Pending | Pending |
| On or about October 20, 2006 | November 1, 2006 – November 30, 2006 | \$2,862.50 | \$0.00 | Pending | Pending |

LATHAM & WATKINS LLP PROFESSIONALS

| Name of Attorney | Position with the Applicant | Number of Years as an Attorney | Department | Hourly Billing Rate | Total Billed Hours | Total Compensation |
|----------------------------|-----------------------------|--------------------------------|------------|---------------------|--------------------|--------------------|
| Gerald A. Kafka | Partner | 32 | Tax | 825.00 | .30 | 247.50 |
| Nicholas J. DeNovio | Partner | 18 | Tax | 695.00 | 3.00 | 2,085.00 |
| Total for Attorneys | | | | | 3.30 | 2,332.50 |

COMPENSATION BY MATTER

| Matter Number | Matter | Total Hours | Total Fees Requested |
|---------------------------|------------------------------|-------------|----------------------|
| 042362-0000 | Federal Tax General Planning | 3.30 | \$2,332.50 |
| Total Compensation | | 3.30 | \$2,332.50 |

EXPENSE SUMMARY FOR FEDERAL TAX GENERAL PLANNING

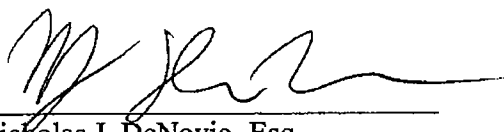
| Description | Amount |
|--------------|---------------|
| Total | \$0.00 |

WHEREFORE, L&W respectfully requests that, for the period December 1, 2006 through December 31, 2006, an interim allowance be made to L&W for compensation in the amount of **\$2,332.50** and payment of **\$1,866.00** (80% of the allowed fees), and for such other and further relief as this Court may deem just and proper.

Washington, D.C.
Dated: March 29, 2007

Respectfully submitted,

LATHAM & WATKINS LLP

A handwritten signature in black ink, appearing to read 'N. J. DeNovio', written over a horizontal line.

Nicholas J. DeNovio, Esq.
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